

ParagonCare

24th September 2014

Australian Securities Exchange
Company Announcements Office

PARAGON CARE LIMITED (ASX: PGC) APPENDIX 4C – QUARTERLY REPORT

The Directors of Paragon Care (ASX: PGC) are pleased to report a strong cash flow performance for the quarter ended September 30 2014. The company generated an operating cash flow surplus of \$757,000 for the quarter compared to a deficit of \$347,000 in the prior corresponding period. Factors that contributed to this result include:

- Sales performance was on budget for the quarter with high fulfilment rates of outstanding orders during the period.
- A strong focus on working capital management. Receipts from customers exceeded \$5.6m for the quarter which was up 44% on the prior period. Both debtor days outstanding and creditor days outstanding experienced favourable movements from a cash flow perspective.

During the quarter the company secured several new contracts which will contribute to operating performance for the second half of the fiscal year. These included Australian Unity (Aged Care), Brisbane Children's Lady Cilento Hospital and a variety of products at the Royal Adelaide Hospital.

As at September 30 the company's cash balance was \$8.5m, however this amount included the pending payment for the recently announced acquisition of Scanmedics Pty Ltd which was settled on October 1st. Having owned the business for approximately one month the Directors are confident that Scanmedics will meet the expectations underpinning the acquisition rationale.

The Directors of Paragon Care will provide an update of the company's progress at the Annual General Meeting to be held on November 13th 2014.

About Paragon Care:

Paragon Care Limited (ASX: PGC) is one of Australia's leading providers of integrated services to Australia's health and aged care markets. These are high growth markets driven by the ageing of the population, continuously rising consumer expectations and increasing government spending. Paragon Care has seven operating businesses: Axishealth, Iona Medical, Volker Australia, Rapini, GM Medical, Richards Medical, LR Instruments and Scanmedics who combined supply durable medical equipment, consumable medical products and medical devices to hospitals, medical centres and aged care facilities.

For further information please contact Mark Simari, Managing Director / CEO (1300 369 559)

PARAGON CARE LIMITED

ABN 76 064 551 426

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

PARAGON CARE LIMITED

ABN

76 064 551 426

Quarter ended ("current quarter")

30 September 2014

STATEMENT OF CASH FLOWS

		Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from customers & GST refunds	5,621	5,621
1.2	Payments for		
	(a) staff costs	(1,493)	(1,493)
	(b) sales and marketing costs	(101)	(101)
	(c) corporate costs	(86)	(86)
	(d) leased assets	-	-
	(e) Other working capital	908	908
	(f) Other expenses (incl COGS)	(4,054)	(4,054)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	11	11
1.5	Interest and other costs of finance paid	(49)	(49)
1.6	Income taxes paid	-	-
1.7	Other (Export Grant received)	-	-
Net operating cash flows		757	757
Cash flows related to investing activities			
1.8	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(422)	(422)
	(e) other non-current assets	-	-
1.9	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	83	83
	(e) other non-current assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – security deposit	-	-
1.13	Net investing cash flows	(339)	(339)
Total operating and investing cash flows		418	418

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	5,351	5,351
1.17	Repayment of borrowings	(89)	(89)
1.18	Dividends paid	-	-
1.19	Other (Share issue expenses)	-	-
Net financing cash flows		5,262	5,262
Net Increase (Decrease) in cash held		5,680	5,680
1.20	Cash at beginning of quarter/year to date	2,820	2,820
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	8,500	8,500

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	162
1.24	Aggregate amount of loans to the parties included in item 1.11	Nil

1.25 Explanation necessary for an understanding of the transactions

Director's fees and Consulting fees for the September Quarter 2014.
Rental of Paragon Health Care premises for the September Quarter 2014.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Not applicable

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A '000	Amount used \$A'000
3.1	Loan facilities and credit standby arrangements	
	12,405	10,441
3.2	Credit standby arrangements	
	3,600	1,681

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	8,500	2,820
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (bank guarantees and terms deposits)	-	-
Total: cash at end of quarter (item 1.22)		8,500	2,820

Acquisitions and disposals of business entities

	Acquisitions (Item 1.8(a)) A'000	Disposals (Item 1.9(a))
5.1	Name of entity	
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Signed: Mark Simari Date: 30 September 2014
(Company Secretary)